

DAVID L. HOPKINS, ASA, MAAA  
ACTUARIAL - ECONOMIC CONSULTING  
182 EAST DEKALB PIKE  
KING OF PRUSSIA, PA 19406  
PHONE (610) 768-7180 • FAX (610) 768-7184

May 16, 2006

Matthew Casey, Esq.  
**KLINE & SPECTER**  
1525 Locust Street, 7<sup>th</sup> Floor  
Philadelphia, Pa 19102

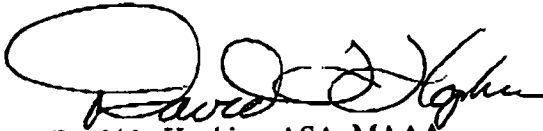
**RE: MARISSA ROSE FISHMAN**

Dear Mr. Casey,

Enclosed is my actuarial-economic report on the above captioned matter, which includes calculations of the net future lost earning capacity and fringe benefits for Marissa. The economic losses are calculated using a reduction to present value at 0% to 2% net interest.

It was a pleasure to be of service to you in this matter. Please let me know if you have any questions.

Very truly yours.

  
David L. Hopkins, ASA, MAAA

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**MARISSA ROSE FISHMAN**

Loss of Earning Capacity &  
Fringe Benefits

Prepared for:

Matthew Casey, Esq.  
**KLINE & SPECTER**  
1525 Locust Street, 7<sup>th</sup> Floor  
Philadelphia, Pa 19102

Prepared by:

  
David L. Hopkins, ASA, MAAA  
May 16, 2006

Marissa Rose Fishman

**BACKGROUND**

Marissa Rose Fishman was born on December 30, 2000. Therefore, she was 1.7 years of age at the time of her death on August 30, 2002. Marissa was found floating face down in a swimming pool at her grandparents' home. She died later the same day at the Al Dupont Institute. Marissa is survived by her parents and three siblings. Her mother, Rochelle Fishman, was born on January 20, 1966. Her father, Eric Fishman was born on September 9, 1957. Both parents have completed college degrees. Marissa's mother completed a Bachelor of Arts Degree at Adelphia College in New York. Marissa's father completed a Bachelor of Science Degree at Philadelphia Textiles in 1981. Marissa's father previously worked for his family's business at an earnings rate of approximately \$250,000 per year. Mr. Fishman is now self-employed in an import/export business. The names and dates of birth of the three siblings are as follows:

<u>Name</u>	<u>Relationship</u>	<u>Date of Birth</u>
Alexandra Sosha Fishman	Sister	December 21, 1993
Harrison Fishman	Brother	October 21, 1997
Samuel M. Fishman	Brother	June 10, 1998

**LIFE EXPECTANCY**

As indicated previously, Marissa was 1.7 years of age at the time of her death. The life expectancy of a female of this age would be 79.7 additional years based on the 2002 U.S. Life Tables, prepared by the U.S. Department of Health and Human Services.

Adding the life expectancy of 79.7 years to the age at death of 1.7 years would indicate an expected life span of 81.4 years of age.

Had she not died, Marissa would have currently been 5.4 years of age. Therefore, 76.0 years would have remained in the normal life expectancy for Marissa, had she not died.

Marissa Rose Fishman

### **WORKLIFE EXPECTANCY**

Based upon information published by the National Center for Educational Statistics, and for the purposes of this report, consideration is made for an anticipated level of educational attainment for Marissa that would be equal to or greater than the educational level of her parents, had she not died. Therefore, calculations are provided in this report based upon the average earnings levels with a Bachelor's Degree, a Master's Degree, and a Doctorate/Professional Degree (doctor, lawyer, dentist, etc.). The anticipated future worklife expectancy period for the measurement of lost earning capacity would be approximately equivalent to work through age 65.

Based upon the completion of a Bachelor's Degree, the future worklife expectancy period would be approximately 43 years (entrance to the labor market at age 22 and normal retirement at age 65). Based upon the completion of a Master's Degree, the expected date of entrance to the labor market would have been at approximately age 24. Therefore, the future worklife expectancy period with a Master's Degree would be 41 years. Based upon the completion of a Doctorate/Professional Degree, the expected date of entrance to the labor market would have been at approximately age 26. Therefore, the future worklife expectancy period with a Doctorate/Professional Degree would be 39 years. Based upon retirement at age 60, the worklife period would be 5 years shorter. Based upon retirement at age 70, the worklife period would be 5 years longer.

Marissa Rose Fishman

**FUTURE LOST EARNING CAPACITY**

The future lost earning capacity is measured for the duration of the future worklife expectancy period based upon the average level of earnings (across all age groupings) for the three alternative levels of educational attainment described previously: a Bachelor's Degree, a Master's Degree, and a PhD/Professional Degree.

According to information from the publication, "Consumer Income", published by the U.S. Department of Commerce, Bureau of the Census, the average level of earnings for all females in the U.S. labor market at these educational levels were as follows as of the year 2004:

Bachelor's Degree.....	\$48,289 per year
Master's Degree.....	\$61,041 per year
PhD/Professional.....	\$82,207 per year

All allowance is made for increases in the earnings levels at the rate of 3½% per year, for that has been the average rate of increase for all workers earnings in the U.S. labor market over the past several years. Allowing for increases in the above levels of average earnings through the current date, the projected current level of average earnings for the three levels of educational attainment would be as follows:

Bachelor's Degree.....	\$51,728 per year
Master's Degree.....	\$65,389 per year
PhD/Professional.....	\$88,062 per year

The lost earning capacity is calculated by making an allowance for future increases in earnings due to inflation and productivity. However, the future lost earning capacity must also be reduced to its present value at an appropriate rate of interest. By using rates of growth in earnings that are representative of average rates of growth in earnings in the U.S. labor market, and using interest rates that reflect current interest rates in the U.S. economy, the allowance for future growth in earnings coupled with the reduction of future earnings to their present value would be approximately equivalent to a reduction to present worth at 0% to 2% net interest for present value. On this basis, the present value of the lost earning capacity would be as follows:

	<u>Retirement At Age 60</u>	<u>Retirement At Age 65</u>	<u>Retirement At Age 70</u>
<u>0% Net Interest</u>			
Bachelor's Degree.....	\$1,965,664	\$2,274,304	\$2,482,944
Master's Degree.....	\$2,354,004	\$2,680,949	\$3,007,894
PhD/Professional.....	\$2,994,108	\$3,434,418	\$3,874,728
<u>2% Net Interest</u>			
Bachelor's Degree.....	\$1,004,234	\$1,088,586	\$1,164,987
Master's Degree.....	\$1,176,229	\$1,282,858	\$1,379,435
PhD/Professional.....	\$1,463,411	\$1,607,013	\$1,737,077

Marissa Rose Fishman

**PERSONAL MAINTENANCE EXPENSES**

It is appropriate to make a deduction from the amount of lost earning capacity to represent the amount of the lost earnings that Marissa would have allocated toward the payment of her own personal maintenance expenses.

Personal maintenance expenses are the (modest and reasonable) necessary and economical living expenses of the deceased, had she not died. The personal maintenance expenses do not include the entire amount of the expenditures of the deceased, but only the supply of the necessities of life – sustenance, subsistence, livelihood and support.

Based upon tables of annual consumption budgets for selected family types, prepared by the U.S. Department of Labor, a conservative amount to use for personal maintenance expenses would be as follows:

Bachelor's Degree.....	30%
Master's Degree.....	28%
PhD/Professional.....	25%

After deducting for personal maintenance expenses as described previously, the present value of the net future lost earning capacity would be as follows:

<u>0% Net Interest</u>	<u>Retirement At Age 60</u>	<u>Retirement At Age 65</u>	<u>Retirement At Age 70</u>
Bachelor's Degree.....	\$1,375,965	\$1,557,013	\$1,738,061
Master's Degree.....	\$1,694,883	\$1,930,283	\$2,165,684
PhD/Professional.....	\$2,245,581	\$2,575,814	\$2,906,046
 <u>2% Net Interest</u>			
Bachelor's Degree.....	\$702,964	\$762,010	\$815,491
Master's Degree.....	\$846,885	\$923,658	\$993,193
PhD/Professional.....	\$1,097,558	\$1,205,260	\$1,302,808

Marissa Rose Fishman

**LOST FRINGE BENEFITS**

It is appropriate to make a calculation for the value of lost fringe benefits in connection with the amount of lost earning capacity for Marissa, had she not died. Such fringe benefits would include the value of employer contributions to Social Security, retirement plans, and other fringe benefits.

According to information and statistics published by the U.S. Department of Labor, the U.S. Chamber of Commerce, and the Employee Benefit Research Institute, the average value of employee fringe benefits in the U.S. labor market ranges from 20% to more than 30% of the level of the employees earnings. For purposes of this report, the lost fringe benefits are conservatively measured at 20% of the level of lost earning capacity for Marissa.

The future lost fringe benefits are measured for the duration of the future worklife expectancy period, utilizing the net interest rate method as described previously. On this basis, the present value of the future lost fringe benefits would be as follows:

<u>0% Net Interest</u>	<u>Retirement At Age 60</u>	<u>Retirement At Age 65</u>	<u>Retirement At Age 70</u>
Bachelor's Degree.....	\$393,133	\$444,861	\$496,589
Master's Degree.....	\$470,801	\$536,190	\$601,579
PhD/Professional.....	\$598,822	\$686,884	\$774,946
 <u>2% Net Interest</u>			
Bachelor's Degree.....	\$200,847	\$217,717	\$232,997
Master's Degree.....	\$235,246	\$256,572	\$275,887
PhD/Professional.....	\$292,682	\$321,403	\$347,415

Marissa Rose Fishman

SUMMARY0% NET INTERESTRETIREMENT AT AGE 60

	<u>Bachelor's Degree</u>	<u>Master's Degree</u>	<u>PhD/ Professional Degree</u>
Future Lost Earning Capacity .....	\$1,375,965	\$1,694,883	\$2,245,581
Future Lost Fringe Benefits.....	<u>393,133</u>	<u>470,801</u>	<u>598,822</u>
TOTALS.....	\$1,769,098	\$2,165,684	\$2,844,403

RETIREMENT AT AGE 65

	<u>Bachelor's Degree</u>	<u>Master's Degree</u>	<u>PhD/ Professional Degree</u>
Future Lost Earning Capacity .....	\$1,557,013	\$1,930,283	\$2,575,814
Future Lost Fringe Benefits.....	<u>444,861</u>	<u>536,190</u>	<u>686,884</u>
TOTALS.....	\$2,001,874	\$2,466,473	\$3,262,698

RETIREMENT AT AGE 70

	<u>Bachelor's Degree</u>	<u>Master's Degree</u>	<u>PhD/ Professional Degree</u>
Future Lost Earning Capacity .....	\$1,738,061	\$2,165,684	\$2,906,046
Future Lost Fringe Benefits.....	<u>496,589</u>	<u>601,579</u>	<u>774,946</u>
TOTALS.....	\$2,234,650	\$2,767,263	\$3,680,992



Marissa Rose Fishman

SUMMARY2% NET INTERESTRETIREMENT AT AGE 60

	<u>Bachelor's Degree</u>	<u>Master's Degree</u>	<u>PhD/ Professional Degree</u>
Future Lost Earning Capacity .....	\$702,964	\$ 846,885	\$1,097,558
Future Lost Fringe Benefits.....	<u>200,847</u>	<u>235,246</u>	<u>292,682</u>
TOTALS.....	\$903,811	\$1,082,131	\$1,390,240

RETIREMENT AT AGE 65

	<u>Bachelor's Degree</u>	<u>Master's Degree</u>	<u>PhD/ Professional Degree</u>
Future Lost Earning Capacity .....	\$762,010	\$ 923,658	\$1,205,260
Future Lost Fringe Benefits... ..	<u>217,717</u>	<u>256,572</u>	<u>321,403</u>
TOTALS.....	\$979,727	\$1,180,230	\$1,526,663

RETIREMENT AT AGE 70

	<u>Bachelor's Degree</u>	<u>Master's Degree</u>	<u>PhD/ Professional Degree</u>
Future Lost Earning Capacity .....	\$ 815,491	\$ 993,193	\$1,302,808
Future Lost Fringe Benefits.....	<u>232,997</u>	<u>275,887</u>	<u>347,415</u>
TOTALS.....	\$1,048,488	\$1,269,080	\$1,650,223

**David L. Hopkins, ASA, MAAA**

Actuarial-Economic Consultant and Economic Expert

**Office:**

182 East DeKalb Pike  
King of Prussia, PA 19406  
(610) 768-7180  
Fax (610) 768-7184

**Residence:**

801 Pine Hill Road  
King of Prussia, PA 19406  
(610) 293-1586

**EDUCATION AND CERTIFICATION:**

March 2000	Admitted as <b>Member of the American Academy of Actuaries.</b>
May 1992	Admitted as <b>Associate of the Society of Actuaries (ASA)</b> upon completion of required examinations covering the topics of advanced mathematics, statistics, applied statistics, operations research, numerical analysis, interest theory, actuarial math, risk theory, and survival models. Additional Examinations: Underwriting, Social Security, Pension Valuation Principals.
August 1991	<b>Master of Science Degree, Actuarial Science, Temple University</b>
May 1983	<b>Bachelor of Science Degree in Economics, Wharton School of the University of Pennsylvania.</b> Dual Majors: Actuarial Science and Decision Sciences.

**EMPLOYMENT:**

February 1980 to Present	Actuarial-Economic Consultant – Providing services in the evaluation of claims which arise from wrongful death, injury, divorce and similar matters, using actuarial methods. Admitted as expert witness for courtroom testimony: Pennsylvania, New Jersey, Delaware, New York and Connecticut.
February 1985 to November 1987	Treasurer, Finance Chairman, Comptroller, and Board Member of the Choral Arts Society of Philadelphia (non-profit symphonic chorus).

**ASSOCIATIONS:**

Society of Actuaries, Member of the American Academy of Actuaries, Actuaries Club of Philadelphia, American Economic Association.

**ARTICLES:**

"Projecting the Cost of Future Medical Expenses for Disability Cases," Legal Intelligencer, 12/29/92 (with Betsy Bates, BSN, CRRN).

**PRESENTATIONS:**

Middlesex, NJ Bar Association  
National Business Institute, "Trying the Wrongful Death Case in Pennsylvania: Strategies in Preparation and Valuation".